

KPDA WEEKLY MEDIA REVIEW REPORT AS AT 25TH AUGUST 2017

Weekly Insights into Current Affairs Affecting the Kenyan Real Estate Market

Every Friday, we select a few media articles from the week that we think are worth your time as a player in the property development sector. We look for compelling articles not only about trends in the market, but also policy issues, upcoming technologies and global trends in real estate. We would love to hear from you on what you are engaged in to promote the sector.

Contact us via ceo@kpda.or.ke

CEO DE-BRIEF

UPDATE ON KPDA MEMBERSHIP

Please join us in welcoming Shreeji Development Ltd who became Premium members on 21st of August 2017!

The KPDA family now has 144 members!

For more information on joining KPDA, please contact the secretariat on 0737 530 290 or 0705 277 787.

KPDA Member Testimonial

PARAGON ARCHITECTS

“Paragon Architects has been a member of KPDA since our first project in Nairobi went into construction. Even though we are based outside of Kenya, the industry news, regulatory news and property-related news items distributed regularly are of great value to our business. Without the KPDA, we would have a much less developed insight into the functioning of the local market and its dynamics. In addition, the networking opportunities are very valuable.”

Henning Rasmuss, Director - Paragon Architects

THE CORE VALUES OF THE KENYA PROPERTY DEVELOPERS ASSOCIATION

1. **Integrity and Honesty:** Integrity and honesty form the core of our daily decisions. We expect our members to uphold high standards of behavior and take personal responsibility for the decisions they make
2. **Transparency:** We believe that transparency builds trust. We are upfront and visible about decisions and actions we take
3. **Professionalism and Diligence:** We challenge and support our members to work to the highest industry standards. We honor our commitments and stakeholders’ needs to the best of our ability
4. **Sustainable Practices:** We are committed to ensuring development serves human needs today while protecting the future of generations to come
5. **High Ethical Standards:** We conduct our daily operations in accordance with the highest ethical standards with full commitment to observance of applicable laws

THE KPDA END OF YEAR KOROGA IS HERE!! PROUDLY SPONSORED BY KONE KENYA LTD

KPDA CORPORATE NETWORKING KOROGA EVENT, FRIDAY 27TH OCTOBER 2017 AT THE SPICE ROOTS RESTAURANT - SIMBA UNION CLUB, STARTING AT 6.00PM

On Friday, 27th October 2017, KPDA will hold its famous interactive and informal networking event, the Koroga! We have an extremely enjoyable evening planned for our guests and even include a Cooking Competition in our program! It is time to displace Acorn Group from the winning chair! For more information on the *Koroga*, please contact the secretariat on 0705 277 787 or 0737 530 290.



PROUDLY SPONSORED BY



**Invitation to the KPDA Corporate Networking
KOROGA Event**

#KPDAKorogaMarch2017

**Friday 31st March 2017 at the Spice Roots Restaurant, Simba
Union Club, Muthaiga Nairobi**

An interactive and informal networking event!

WHERE: SPICE ROOTS RESTAURANT. SIMBA UNION CLUB
(Located along Forest Road, Muthaiga, Nairobi)

WHEN: Friday, 31st March 2017

TIME: 6.00pm onwards

The Koroga will run from 6.00pm onwards. Drinks will be served at a cash bar.

**TICKETS FOR THE KOROGA (AUTOMATIC
ENTRY INTO THE RAFFLE COMPETITION)**

Members Kshs. 2, 500

Non Members Kshs. 3, 500

❖ Companies wishing to register for the cooking competition are allowed to do so and participate in cooking vegetarian or non-vegetarian starter meals or main meals. One company may only register to cook one meal.

THE DEADLINE TO RSVP (WITH PAYMENT) IS FRIDAY 24TH MARCH 2017. Kindly send your confirmations to e.kayaki@kpda.or.ke and cc r.muthama@kpda.or.ke

NB:

- **Please note that registration fees once paid are non-refundable and cannot be transferred to cater for the cost of attending future events.**
- **Participants who attend this event without an RSVP will be surcharged at the door**
- **Non Members will not be allowed to participate in this event without prior payment**

To download the invitation flyer, please click on the link below:

[..\..\..\Events - KPDA\Corporate Networking Koroga Matters\End of Year Koroga, Friday 27th October 2017\Invitation to the KPDA Corporate Networking KOROGA Event, 27th October 2017.pdf](#)

25TH AUGUST 2017

Daily Nation | Kennedy Kimanthy | Friday 25th August 2017
FAMILY ALLEGES PLOT TO DISPOSSESS IT OF PRIME CITY LAND

The saga surrounding the ownership of Caxton House on Kenyatta Avenue is back in the limelight with Sayani Investments alleging a plot to dispossess them. [Read More](#)

24TH AUGUST 2017

Daily Nation | Kennedy Kimanthy | Thursday 24th August 2017
CARTELS CASH IN ON EXPIRING LEASES TO GRAB LAND

Hundreds of Kenyans whose leases have either expired or are about to are falling prey to cartels that take over their parcels due to lack of laws. [Read More](#)

Daily Nation | Magati Obebo | Thursday 24th August 2017
MAN IN NYAMIRA SEEKS TO STOP ROAD WORKS OVER COMPENSATION

A man in Nyamira County has moved to court seeking to stop the building of the Chepilat-Ikongechabera road, citing encroachment without compensation and destruction of his property. [Read More](#)

The Standard | Graham Kajilwa | Thursday 24th August 2017
WHY KIBERA RESIDENTS OPTED TO GIVE OUT NEW HOUSES

It was a dream come true for many. They were all smiles as they received the keys to their new houses. [Read More](#)

The Standard | Moses Michira | Thursday 24th August 2017
SCAM. ENDORSEMENT BY POPULAR RADIO PRESENTER LURED THOUSANDS INTO THE DEAL

Hordes of distraught investors are walking out of a too-good-to-be-true kind of plan that had promised huge profits twice a year. [Read More](#)

The Standard | Wilberforce Okwiri | Thursday 24th August 2017
DEVELOPERS TURN TO NEW APPROACHES TO MAKE SALES

property news

Developers turn to new approaches to make sales

Nairobi office developers will have to come up with innovative ways to sell space in a market already suffering glut, says a new report.

The report by asset managers Britam for the first half of 2017 says that in the coming days, developers are not expected to slow down on office space development despite an oversupply, but will instead be expected to embrace new and more aggressive techniques to sell office spaces.

"Developers are expected to engage in aggressive marketing techniques, undercutting each other to achieve higher occupancy levels," says the report. Among the techniques are raised floors, certified green buildings, parking ratios of four bays per 1,000 square feet, highly specialised fire suppression systems.

The report says that after elections, the high-end market will enjoy a boom due to a promising global market environment, while the middle-income segment, which has reportedly been

of more consideration by the residential market developers due to its higher returns, will continue to be more appealing compared to standalone houses,

Sh106m
Fahari Reit profit for 13-month period to December 31, 2016

The report says land speculation is expected to increase exclusive Nairobi suburbs where owners have lately been keen to sell their parcels: "In the city suburbs, investors will seek to unlock value in locations experiencing rapid change in development types, consequently leading to upward momentum of land prices. Increased demand for land is anticipated in areas where change of use can be obtained from owner occupier residential houses to multi-dwelling residential apartments."

In what is also set to excite the market further in the coming days, some projects are planning to go the real estate investment trusts (Reits) way to raise finance.

Fahari Reit, the first Reit in Kenya, posted a profit of Sh106 million for the

13-month period that ended on December 31, 2016. Fahari Reit plans to return to the market to fundraise up to Sh8.9 billion to fill up the tranche of Sh12.5 billion initially allowed by the Capital Markets Authority.

[David Mwitari]

A section of Upper Hill showing office developments. [Wilberforce Okwiri, Standard]



Gardening and landscaping



How to create outdoor rooms

By Hosea Omole
homeandaway@standardmedia.co.ke

Many of our gardens don't have defined spaces. Even some of the best planted and lush gardens are characteristically boundless. We seem to get stuck at gardening, which is the cultivation of plants for ornamental or culinary purposes.

Besides the boundary walls within which the garden is inevitably contained, there are no distinct 'room' or 'rooms' within our gardens that are designed and furnished for specific outdoor uses.

We focus only on creating two

dimensional patterns on the ground with paths and flowers or arranging plant materials along the base of the house or boundary. The result is more often a garden that you can't fully utilise and experience.

We could achieve so much more if we dared go beyond gardening and started focusing on space.

Space is the entity where we live, work, and recreate. Consequently, all the site elements that make up the outdoor environment, such as plant materials, pavements, walls, fences, and other structures, should be considered as the physical elements that define outdoor rooms.

We should think of design as the creation and organisation of outdoor space and find out how these other components define and influence the character and mood of space.

An indoor use area will function as a usable space if there is sufficient space, adequate privacy, decoration, and furnishings. The success of outdoor space can be looked at in a similar way. We find a space to be comfortable, pleasurable and successful if it provides sufficient room for the function, enough privacy for the function to occur, decoration and furnishings.

3

Planes that define an outdoor space

An effective means for understanding outdoor space is to think of it as a series of outdoor rooms similar to the interior rooms of a house. Each interior room has a definite sense of enclosure that is clearly defined by the floor, walls, and ceiling.

Similarly, there are potentially such rooms as the entry space, entertaining space, living space, dining space and work space in the exterior environment of your site.

Like their interior counterparts, exterior spaces are defined by three primary planes of enclosure: the base plane that consists of the lawn and pavement; vertical plane, consisting of shrubs, garden walls and trellises; and the overhead plane consisting of the tree canopies, pergolas and even the sky. These three exterior planes of enclosure, like the interior floors, walls, and ceilings, collectively define the edges or limits of outdoor rooms.

- The writer is a landscape architect.

Quick tips

- Consider elements such as plant materials, pavements, walls and fences.
- Think of outdoor space the way you would an indoor area; as a usable space if there is sufficient space, adequate privacy, decoration and furnishings.
- Think of outdoor space as a series of rooms for different uses, and is well defined by floors, walls and ceilings.

Dispute. Court has ruled that 135-acre parcel belongs to Njeri Njenga Kagiri

Land agency asks police to stop evicting squatters

Land owner accused of using law enforcers to kick out 2,108 people from her land in Bamburi, Mombasa.

By Benard Sanga
Bonyari@standardmedia.co.ke

The National Land Commission (NLC) has intervened to stop the eviction of 2,108 squatters from a disputed parcel of land in Bamburi, Mombasa County.

In a letter to the Inspector General of Police, the NLC accused some police officers in Mombasa of carrying out illegal evictions.

Families who were evicted from the land two weeks ago by the police are spending nights in the cold.

"The squatters on land parcel No. 423/Sec.1 MN/Bamburi Utange measuring 135 acres have continued to be harassed by a private investor who is using the police to evict them and destroy their homesteads," states a letter signed by NLC Commissioner Samuel Tororei to the IG.

The squatters claim ancestral ownership of the land which is owned by Njeri

Njenga Kagiri, a private developer, who wants the squatters evicted.

Since 2010, the families have been evicted more than 10 times from the plot, referred to as Lamkani, after Ms Kagiri started to subdivide and sell it.

Kagiri claims ownership of the entire land which she inherited from her late husband Jeremiah Nyaga in 1979.

"We have lost our properties and our children are sick because we have been sleeping outside since armed police destroyed our houses," said Nguma Charo, the chairman of the squatters.

Resolve dispute

He said trouble started in 2010 when their houses were first pulled down from what he termed their ancestral land.

Scores of Kaya elders have on many occasions led demonstrations against the evictions of the squatters and called on the NLC and the national government to intervene.

According to Dr Tororei, the squatters should be left on the land until the commission meets the two warring parties to resolve the ownership dispute.

"The letter is therefore to request

you to prevail upon the police officers in Mombasa to facilitate enforcement of the status quo for peace and tranquility to prevail," states the letter dated August 8 this year.

On October 31, 2013, NLC Chairman Muhammad Swazuri summoned Kagiri after the squatters wrote to the commission alleging that their land had been grabbed.

The Standard however has established that Kagiri obtained orders to evict the squatters from the land after the court ruled that she is the rightful owner of the land.

"We are aware that the courts made judgments and issued orders in respect of the parcel. The residents are (however) claiming occupation to the said land, while you are claiming ownership," said Swazuri in the letter to Kagiri then.

In June last year, the commission further wrote to Kisauni Assistant County Commissioner asking him to summon Kagiri after the evictions by the police persisted.

Prof Swazuri said the NLC has powers to negotiate between the two parties and directed that the status quo be maintained until the commission meets

the squatters and the private investor.

The squatters appealed to the Government to intervene, saying a majority of them lost national identity cards in the wake of the latest demolition of their homes.

"We fear for the health of our children after our houses were demolished," said Rehema Kahindi.

"We have been frustrated by those who claim ownership of this land. Police officers have kept us out of the plot," she said.

A Kaya elder Hamisi Chiringa claimed President Kenyatta stopped evictions of Coast squatters when he toured Mariakani recently and wondered why the Lamkani squatters were thrown out.

"We have lost our properties and our kids are sick because we have been sleeping outside since armed police destroyed our houses."

Nguma Charo, squatters' chairman

Moving on. With election uncertainties on the way out, real estate players are optimistic that the last quarter of the year will bring with it great investment opportunities.



Modern residential buildings. The value of building plans approved in Nairobi from January to May this year went down as developers adopted a wait-and-see attitude due to the just-concluded elections.

Six things to look out for in property after polls

The performance of the housing and construction industry for the second and third quarters of 2017 is less than satisfactory. It is, however, expected that once the elected officials get down to work, the sector's performance will pick up.

By David Mwitari
 dmwitari@standard.co.ke

The real estate sector is poised for a comeback after the conclusion of the General Election. Industry figures for the first five months of the year indicate there was a marginal slowdown in the industry as a result of election uncertainties.

According to the Kenya National Bureau of Statistics, the value of building plans approved by Nairobi City County between January and May this year went down to Sh105.6 billion from Sh126.3 billion in a similar period last year. It is, however, expected that the

pace will pick up once election related activities are over.

The expected rebound of the industry means investors should watch over housing prices, falling of building material prices, employment opportunities and more importantly, county governments who will be looking forward to fulfilling their election pledges.

"The implementation of the 2017/2018 budget is underway, and those looking planning to invest in the construction industry should be upbeat," says David Mathu, National Construction Authority manager in charge of research and business development.

Here are some of the opportunities



Outgoing Road that is under construction. Expenditure on roads and other infrastructural projects expected to increase. [Ewls Ogina, Standard]

to look out for if you are planning to invest in real estate:

Fair prices of construction materials

For the last six years since 2010, cement consumption has been on the rise. Increased construction activities like the boost from the SGR construction largely contributed to the increasing demand. According to Kenya National Bureau of Statistics by March 2016, consumption had increased by 33 per cent which was equivalent to a 1.4m tonnes increase. This means that with more construction activities expected in the real estate and construction sector, the prices are poised to soften further.

According to KeNHA's director general Peter Mundinia, the government has already earmarked the expansion of a number of highways, one being the new high speed Nairobi to Mombasa highway which will cost Sh230 billion. Bechtel International, a US based engineering firm will do the construction after signing the agreement with the highway authority.

"Bechtel has been selected to con-

struct the first high-speed expressway in Kenya. The 473-kilometre highway will improve connectivity and safety of the road between Nairobi and Mombasa," says KeNHA's director General Peter Mundinia. This is an indication of an expected boom in the construction industry, thus, if indeed it will impact on prices, investors in the real estate's housing and construction sector should look up for more good times.

163,000

■ Construction jobs in 2016

When the rise in demand got to its peak owing to an increase in cement consumption was experienced in the first quarter of 2016, the average price of a 50 kilogram bag of cement reduced from Sh700 to Sh650.

Tax waiver incentives

According to Edward Ng'ang'a, a land procurement manager at the Diamond Property Merchants, real estate is a

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23RD AUGUST 2017

Business Daily | Mugambi Mutegi | Wednesday 23rd August 2017
HELIOS TO BUILD SH7BN HOSTELS FOR VARSITY STUDENTS

Real estate firm Acorn Group and London-based private equity fund Helios are jointly set to build 3,800 university hostel units in Nairobi in a mega project estimated to cost about Sh7.4 billion.

[Read More](#)

Daily Nation | Magdalene Wanja | Wednesday 23rd August 2017
NAKURU COUNTY SET TO BE MAJOR BENEFICIARY OF PLASTIC BAN

Nakuru County will be one of the largest beneficiaries once the ban on plastics is effected on August 28. [Read More](#)

Daily Nation | Allan Olingo | Wednesday 23rd August 2017
SENSE OF URGENCY AS EA REGION UPGRADES ITS ROADS, AIRPORTS

Recently, Rwanda commissioned the construction of the \$818 million Bugesera International Airport that is billed to become the region's most modern airport, joining the other East African states in an infrastructural development race mostly funded by China. [Read More](#)

Daily Nation | Gitonga Marete | Wednesday 23rd August 2017
MOMBASA REAL ESTATE LOOKING UP AFTER POLLS

Players in real estate in Mombasa have projected that the property market will rebound following the peaceful elections this month. [Read More](#)

Daily Nation | Brian Okinda | Wednesday 23rd August 2017
BUY, REFURBISH, PUT ON SALE

Flipping is a viable strategy for earning money from property but is not well developed locally thanks to the country's low asset liquidity. [Read More](#)

Daily Nation | Delfhin Mugo | Wednesday 23rd August 2017
HOW TO GO ABOUT A REAL ESTATE DEAL

Dr Tom Kabau, an advocate, puts the latter groups' miseries down to failure to operate by the book when closing a real estate deal. [Read More](#)

Business Today | Wednesday 23rd August 2017
S. AFRICAN FIRM TO SET UP SCHOOL IN TATU CITY

JSE-listed ADVTECH Ltd has confirmed the purchase of land at Tatu City, which will become the future home to a Crawford International School. This school will cater for all ages of students from Kindergarten to A-levels with modern facilities including boarding for senior students. [Read More](#)

22ND AUGUST 2017

Daily Nation | Bitange Ndemo | Tuesday 22nd August 2017
A NEW WAY FOR COLLECTIVE DEVELOPMENT IN KENYA

We must learn from others and chart a new way through a hybrid ideology. Today, I want to deal with the term "selfishness", which in my view, has brought more pain to our progress than anything else. [Read More](#)

Tilisi Developments Ltd has opened a fast-track building route for companies keen to build their own warehouses, with a pre-approval package that is set to save new owners up to two years of paperwork achieving permit approvals. [Read More](#)

21ST AUGUST 2017

Business Daily | Brian Wasuna | Monday 21st August 2017
WILSON AIRPORT LOSES LAND WAR WITH AIC CHURCH

The Africa Inland Church (AIC) has won a protracted legal battle with the Kenya Airports Authority (KAA) over a 0.8 acre piece of land bordering Nairobi's Wilson Airport. [Read More](#)

Business Daily | Chris Silali and Chris Shimba | Monday 21st August 2017
PROPER LAND USE KEY TO ENHANCING FOOD PRODUCTION

Elementary economics and entrepreneurship validates land as one of the key factors of production. [Read More](#)

Business Daily | Brian Wasuna | Monday 21st August 2017
REPRIEVE FOR NAKUMATT AFTER COURT BARS LANDLORD

Retail chain Nakumatt on Monday got temporary relief after the High Court blocked yet another attempt by a landlord to attach its property in order to offset rent arrears. [Read More](#)



We Welcome All Our Members And Partners To Advertise through the KPDA MEDIA WEEKLY REVIEW REPORT. For more information, kindly contact the KPDA Secretariat on 0737 530 290 or 0705 277 787 or by emailing admin@kpda.or.ke